

AUDIT REPORT

BLINCORPORATED

January 1, 2013 – August 31, 2014

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Background and Organization

BI, Inc. is a subsidiary of the GEO Group Inc. which is a for-profit corporation.

The Dutchess County Office of Probation and Community Corrections contracted with BI to provide the Day Reporting Program at the Dutchess County Community Transition Center (CTC) located in Poughkeepsie, New York. This evidenced based treatment program is designed as an Alternative to Incarceration. Individuals are court ordered to participate in this program which is supervised by the Probation Department.

In addition to the above program, the county contracted with BI for the rental/ lease of an electronic home monitoring system for court ordered defendants.

Audit Scope & Methodology

The audit was performed for the period January 1, 2013 to August 31, 2014. The Probation Department had two contracts for each time period with BI totaling \$633,858.45 for 2013 and \$637,998.00 for 2014 as follows:

<u>Contract #</u>	<u>Program</u>	<u>Time Period</u>	<u>Amount</u>
10-0372-A4	Day Reporting	1/1/13-12/31/13	\$556,748.00
10-0008-A6	Electronic Home Monitoring System	1/1/13-12/31/13	77,110.45
10-0372-A5	Day Reporting	1/1/14-12/31/14	556,748.00
10-0008-A8	Electronic Home Monitoring System	1/1/14-12/31/14	81,250.00
	Total Available Contract Funding		\$1,271,856.45

All expenditures for services purchased from BI, Inc. were generally funded 100% from Dutchess County tax dollars. The audit included a review of internal controls, contracts, claims, agency financial records and correspondence including an interview with pertinent staff. Criteria included allowance of expenditures that were clearly related to the program scope and sufficiently evidenced by documentation.

Summary of Findings –

Day Reporting Program/CTC

There was a lack of oversight and monitoring of critical accounting procedures by BI Management for the Day Reporting Program. Expenditures were incurred and claims were submitted by the local program manager without proper internal controls in place to segregate duties and responsibilities. Specifically, the Program Manager had the sole responsibility of purchasing, distributing, reconciling, and inventorying items. After extensive review of all documentation and program scopes associated with expenditures, the following amounts have been disallowed since they could not be traced to a related program or supported by sufficient audit trail. A total of \$13,163.51 is disallowed as follows:

- ✓ Disallowances of \$7,858.80 for 2013
- ✓ Disallowances of \$5,304.71 for 2014

Electronic Home Monitoring System Rental

- The rental and support of an Electronic Home Monitoring System for the DC Probation Department's Electronic Monitoring Unit was reviewed and monthly payments were made to BI in accordance with the contracts. No discrepancies were noted.

Findings by Contract

Day Reporting Offender Monitoring/ Community Transitions Center (CTC)

Contract Overview

Contract # 10-0372 was initially executed for the time period July 1, 2010 to December 31, 2010. It was amended to continue for the following time periods, A1 – January 1, 2011 to December 31, 2011; A3- January 1, 2012 to December 31, 2012; A4 – January 1, 2013 to December 31, 2013; A5 – January 1, 2014 to December 31, 2014. Amendment A2 amended definition for Administrative costs.

For 2013, BI claimed and was paid a total of \$483,023.02 as shown in **Exhibit I**. For January – August 2014, BI claimed and was paid a total of \$343,017.65 as shown in **Exhibit II**. The disallowances by budget line item by year are as follows:

		Jan-Dec	Jan-Aug
	<u>Disallowances by Budget Line Item</u>	<u>2013</u>	<u>2014</u>
Purchases	Client Meals	\$2,461.87	\$1,710.37
	Client Needs & Materials	1,521.02	1,327.60
	Client Train/Educ Expense		658.23
	Office & Program Supplies	329.88	836.82
	Supp/Services/Small Tools		721.69
	Client Trans/Vehicle Expense	<u>3,358.51</u>	<u>50.00</u>
Salary		<u>\$187.52</u>	
	Total Disallowances	\$7,858.80	\$5,304.71

A review of the expenditures for Payroll was conducted with BI via email to verify salaries and respective costs. In comparing W-2s and claimed amounts there were instances where funds were not claimed and instances where funds were over claimed in 2013. The net result was an over claim which is included in the above disallowances.

The detail of disallowances for 2013 and 2014 are attached as **Exhibit III** and **Exhibit IV**. Additional findings and pertinent discussions follow.

Internal Control, Purchasing and Expense Review

Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and inappropriate actions. At the most basic level, it means that no single individual should have control over two or more phases of a transaction or operation. Management should have assigned responsibilities to ensure a crosscheck of duties so that a single person cannot carry out and conceal errors and/or irregularities in the course of performing day-to-day activities. The more negotiable the asset, the greater the need for proper segregation of duties – especially when dealing with cash, credit cards and inventories. There were four general categories of duties or responsibilities which were examined in regards to the segregation of duties: authorization, custody, recordkeeping and reconciliation.

FINDINGS

- There was no duty segregation resulting in a severe loss of internal control and as a result many discrepancies were noted in the day to day recordkeeping. We reviewed the general duties and responsibilities for accounting which BI granted to the Program Director and found the Program Director had the following:

Authority to incur the majority of expenditures for purchased items through the use of an agency or personal credit card without pre-approved purchasing controls and subsequent oversight.

Custody of the agency credit card and items purchased and receipts for items purchased

Recordkeeping of program expenditures and program records

Reconciliation of program expenditures and program records

- The Program Director provided oversight and monitoring of the day to day staff and program activities.
- The Program Director initiated, approved, recorded, reconciled financial transactions which were claimed to the county and was responsible to maintain all program records related to these expended and claimed funds.
- The Program Director handled all functions related to assets as well as the purchase and distribution and accounting of food, client supplies, client incentives, office supplies.
- The Program Director had use of an agency leased 2013 Ford Explorer which included expenditures for the monthly lease, gas, maintenance, fuel and an accident repair charged to the county.

The following discussion relates to the specific purchases and concerns:

- The best accounting practice of 'no one employee having complete control over the entire purchasing function' was violated. The individual had responsibility for purchasing, receiving and approving payments for goods and services rather than the duties being assigned amongst different employees. As a result, the purchasing function did not allow for the best practice of utilizing pre-approved vendors for purchases for 'pre-approved' items. This included numerous outside food vendors, grocery stores, pharmacies and various establishments.
- In reviewing the monthly Personnel costs, we found that there were generally four (4) or five (5) staff members which would have allowed for duty segregation.
- The Program Director **purchased** Merchant/Gift Cards totaling \$2,780 in 2013 and \$2,543 for the time period January – September 2014. The Program Director **distributed** the 'Cards' which had face values of \$5 to \$75 each. The Program Director maintained the records which showed the distribution of the cards and also maintained a listing of cards 'not distributed'. The listings contained the 'card' numbers. We found discrepancies with the listings as eight (8) \$5 gift cards listed on the 'cards on hand' had already been distributed. Also, guidelines for the issuance of 'cards' were not consistently applied as evidenced by the agency guidelines for attendance and completion incentives. In addition, agency guidelines **were not established to prohibit the purchase of cards for establishments that sell alcohol and tobacco products** which is a general guideline used in other programs and also important as the agency services individuals who are under the age of 21. Merchant gift cards for such establishments included gas stations, convenience stores and pharmacies.
- The Program Director **purchased** meals from various restaurants and food establishments throughout the county at various times of the day. Of the food purchased, a total of \$2,640.54 was disallowed for 2013 and \$1,710.37 was disallowed for the time period January – September 2014. Concerns regarding food arose as the Program Director was to use a 'food' vendor contract for times when full-time attendees on a given day totaled 6 or more and also as the program has food storage and cooking facilities which are part of the monthly rental. There were consistent food purchases which were stored and prepared for 'program food' for the times when the number of attendees was below the contracted number or when attendees chose not to eat the item available. *While the Program Director indicated there may be community service or special 'occasions'; a clear trail documenting these occasions was not presented to support such claims.* However, we did accept several expenditures for pizza which was reasonably supported in some cases as the cost was lower than ordering pizza from the established food vendor. We also question the 'travel' and agency time used to purchase food away from the program: first regarding the attendance at a specific class during the prescribed

times; and the staff time which is required to leave the program to go to the listed venues. The Program typically had 4-5 staff working.

- The Program Director **purchased** personal care items and held the items in her office for distribution. There was no record showing the distribution of items to specific program 'attendees'. While the costs for some of these items were \$3 or less each, there were large quantities purchased and were not limited to personal care items. However, items that were bought during a normal work week were allowed if the receipt was legible and reasonable to what a client would 'need'.
- The Program Director **purchased** client food and snacks. If the item did not appear on the snack list; such as candy, it was disallowed.
- The Program Director **purchased** agency office supplies and materials. If the receipt was legible and the item was a reasonable expenditure, it was allowed. Disallowances included candles which are a fire hazard and not a necessary office expense.
- The Program Director **purchased** items that she claimed were for use at 'community service' venues; however, there was no documentation made available to support selected purchases and these items were disallowed; such as, shirts, laser pointers and items not originally identified at time of purchase.

Additional Comments:

- Purchases were made during program hours, weeknights, weekends and one holiday. Expenditures were predominantly charged to the agency credit card by the Program Director. There were a few occasions where we found receipts which the Program Director indicated were made from her personal credit or debit card.
- The Program Director had the sole authority to decide what was purchased and how items were distributed. This resulted in the Program Director purchasing food, gift cards, personal care items, gifts, office and agency supplies and many items that were unidentified at the time of claiming. Best practices regarding established vendor accounts with suppliers were not evidenced for any of these items.
- In addition, there was not a complete set of records to trace the items purchased to the 'actual' beneficiaries of the items purchased. As a result these items are disallowed.
- As a Day Reporting site, which had a structured curriculum of classes, we question the time away from the site for the continuous purchases made at food and shopping venues.
- There was insufficient documentation to support the numerous expenditures for food, gift cards, gifts and unidentified items from various establishments. Our listings of disallowances were sent to BI's Senior Business Manager who is located in Boca Raton, Florida and whose agency address is Boulder, CO. The disallowances were sent by this individual back to the local Program Director, who incurred the expenditures and who wrote explanations next to the various entries. Explanations given were different than the general explanations given at the audit site interview.
- We attempted to match expenditures with the client attendance records. However, there was no formalized Sign in/Sign out procedure which required signed attestation (individual signature) by the attendee. The program had a computerized listing of individuals who are assigned to CTC each day; it was our understanding that the 'arrival' times were written in on CTC daily listings; however, there was no evidence that it was done by the individual who was to be in attendance and there was no departure time listed.
- The agency was unable to produce a document of the actual 'full time' and 'part time' attendees to the program for each day the program was in session.

NOTE: CTC computerized listing - The daily listing provided contained the names of individuals who may be in jail, or in another program. In addition, new attendees may not be listed initially and individuals who have completed the program may not have been removed. *At the time of our on-site review, we were informed there were significant violations of probation, which resulted in a reduction of clients at the Day Reporting/CTC site. If an*

inquiry is made in regards to the CTC counts; the figure reported is of the individuals who are assigned but therefore may not be required attendees due to the reasons stated.

Interview with the Program Director and County Auditors

In the interview between the Program Director and the County Auditors, the Program Director indicated that the full time attendees only attended Tuesday through Thursday during the hours of 10am-3pm. Part time attendees would be assigned to 1 to 3 programs such as education, employment, life skills, etc. The Program Director stated that there occasionally was community service which was basically for 'younger clients' who did not have other responsibilities such as work or school.

- There was a lack of documentation proving attendance of clients. Sign in sheets only indicated time clients signed in and not the time that clients left the facility.
- The Program hours were changed from the original contract; full-time was considered three days per week versus five days.
- Actual attendees had dwindled in the last five months reviewed.

Observations/Findings:

The above statement and schedule was not in compliance with the Specifications set forth in Section 2.0 SPECIFICATIONS of the Executed contract with the county which states – “under section 2.3 Hours the program must be open from 9 a.m. to 7 p.m. Monday through Friday and on Saturday as needed for special programming or events.”(Addendum I)

Also, the Program Director’s statement was in conflict with the ‘Dutchess County CTC Weekly Program Schedule’ presented to us by the Program Director during our onsite Audit review and confirmed by Probation Staff as the Schedule. (Exhibit V)

In discussions with Probation, they indicated the program was Monday through Friday.

In an interview with the Program Director with county auditors, the Program Director indicated that staff food was purchased as BI, Inc. had a policy of giving each staff an incentive of \$30 each month which the Program Director indicated was primarily used for food for the agency staff. In reviewing many of the various restaurant purchases, it was noted that there were ‘four or five’ meals purchased (the same number as staff employed). These meals were incorrectly charged and paid by County funds. The Program Director did not indicate which claims were for staff food despite a listing of questioned food/restaurant purchases. In fact, when interviewed she indicated that a specific ‘diner’ purchase was a staff meal (five meals purchased) and had remitted it in error but when the same meal was included in the questioned items she indicated it was for lunch for 5 clients performing all day community service.

In an interview with the Program Director with county auditors, the Program Director was asked about the costs for an accident that involved the 2013 Ford Explorer. The costs were submitted and paid through reimbursement with no indication that insurance was used to pay for the repairs. An accident report did not accompany the claim. The Program Director indicated that she was driving the vehicle and the accident was not her fault. In reviewing the accident report that was sent to us by BI, it appears the accident was the Program Director’s fault. Further information provided by BI indicated that the accident was not submitted to insurance and costs were submitted to Dutchess County and paid through reimbursement. These costs are disallowed.

DISALLOWANCES DISCUSSION

- Many of the purchases of food to outside restaurants were disallowed due to insufficient documentation to support the expenditure as a Client Need or Client Meal; especially when the purchases were completed, after lunch hours, when the food vendor was utilized or on Mondays and Fridays which the Program Director indicated were not FULL-time days for attendees and that staff meals occurred.
- Purchases disallowed were due to the time of purchase being outside the scheduled lunch time –“11:30 to 12:20” (Exhibit V)
- Purchases made outside of the program hours Nights and Weekends and one Holiday (July 4th).

- The Program Director stated Staff lunches were purchased for ‘staff incentives’ -‘staff incentives’ is not a category approved by the county.
- Insufficient documentation to show that ‘clients’ benefitted from the meals.
- Additional meals purchased when the contracted vendor was used.
- Food purchased when ‘the client did not like the vendor choice’. There was evidence of various food purchases for the program to be made in this event per the Program Director. NOTE: *The facility maintained various locations for food storage and a kitchen with a large and small refrigerator, freezer and various storage locations. Breakfast and lunch items, snacks, drinks and food were stored at various locations.*
- Items disallowed due to the nature of the purchase included: candy, candles, clothes, laser pointers, pet supplies.
- A number of Gift and merchant cards could not be substantiated as being purchased for the ‘clients’. Purposes listed for the granting of these incentives were not consistent with the program’s guidelines for the incentive. (Exhibit VI)
- Receipts without detail of what was purchased or the receipt was illegible.

RECOMMENDATIONS

- ⚡ In those instances where duties cannot be fully segregated, mitigating or compensating controls must be established. Mitigating or compensating controls are additional procedures designed to reduce the risk of errors or irregularities.
 - The Program Director should not be given sole responsibility to control all aspects of a transaction or program purchase.
 - No person should be given the incompatible duties or responsibilities of:
 - ✓ Authorizing a transaction, receiving and maintaining custody of the asset that resulted from the transaction.
 - ✓ Receiving items and approving distribution.
 - ✓ Approving transactions and incurring transactions via the credit card.
 - ✓ Having unlimited access to the ‘assets’, accounting records and computer terminals and programs. For instance having access and using the credit card as the source to post to the accounting records.
- ⚡ Outside vendor accounts should be established for purchases to provide internal controls regarding the items purchased.
- ⚡ Proper discretion should be used in prudently expending the scarce resources of government funds.
- ⚡ A clear audit trail of all funds and their applicability to the program should be maintained at the time of purchase.
- ⚡ A clear audit trail of attendance for each client should be maintained with the corresponding attendance at the prescribed classes for each day with attestation from the client. *Sign in and sign out sheets completed by the attendee with attestation by the oversight authority.*
- ⚡ Special activities such as community service should be documented with a listing of actual attendees to ensure accountability for any costs incurred during and for the activity.
- ⚡ **Clear and concise policy and procedures, guidelines should be drafted to ensure that there is full accountability for funds expended for the categories submitted.**

Assets

We reviewed the items purchased for the program over the years which have resulted in an inventory of various types of equipment, furniture, and office related items including:

- Office -computers, printers, air conditioners, heaters, storage containers, etc.
- Building and maintenance supplies - chain saws, shovels, tool chest with tools, mops, brooms, etc.

- Kitchen equipment for food storage and preparation - refrigerators, freezers, storage items, etc.

FINDINGS

- We found the listings were not complete and inaccurate as many items did not have the correct information for make, model and serial numbers.
- Inventory that was transferred to the program at its inception in 2007 was not consistently used or returned to the county and the listing was not updated and maintained. Prior to our on-site visit, a number of items were discarded.

RECOMMENDATIONS

- ⏪ All items should be correctly identified on listings regarding descriptions to account for assets and related items.
- ⏪ All items discarded or transferred should be fully accounted for utilizing county inventory procedures which require specified forms be completed and approved prior to disposal or transfer.

Electronic Home Monitoring System - Contract# 10-0008-A7/A8

BI, Inc. provided equipment rental and support of an Electronic Home Monitoring System for the DC Probation Department's Electronic Monitoring Unit. Generally, equipment included: a host computer located at the Probation Office, 2 workstations (monitors and keyboards), a printer, 4 portable remote receivers and 140 monitoring units. This contract was originally written for the time period January 1, 2010 – December 31, 2010 with four (1) year extensions at Dutchess County's option.

A total of \$76,650 was paid to BI for 2013 which represented the contracted monthly amount of \$6,387.50. In 2014, the contract was written for \$76,650 plus an additional \$4,600 (from the STSJP Grant) for a total of \$81,250. As of the writing of this audit, a total of \$68,475 was paid to BI for this contract.

There were 140 radio frequency monitoring units which include in home receivers and ankle transmitters and the respective equipment necessary for the monitoring of individuals in their homes. Equipment also includes four single unit portable Radio Frequency receivers for use by Probation Officers in the field, two computer workstations and one printer. The contract was amended for an additional five units.

Exhibit I Day Reporting Program/CTC 2013 BUDGET/ACTUAL

	Budget	Total Claimed
Personnel Costs		
Salaries	\$195,000.00	\$149,860.25
Fringe	60,450.00	46,456.68
Total Personnel Costs	\$255,450.00	\$196,316.93
Operating Costs		
Rent	\$61,017.00	\$62,798.64
Utilities and Facilities Expenses	12,814.00	1,396.59
Client Transportation/Vehicle Expense	9,600.00	13,784.09
Client Needs and Materials	12,021.00	14,674.70
Employee Acquisition, Training & Travel	8,000.00	852.87
Office and Program Supplies/Services	4,500.00	8,098.19
Equipment Rental, Lease and Maint.	3,600.00	2,840.06
Client Meals	12,000.00	9,135.45
Equipment Purchases	6,250.00	0.00
Telecommunications	10,000.00	8,511.60
Case Mgmt and Assessment Software	7,500.00	10,617.90
Total Operating Costs	\$147,302.00	\$132,710.09
Administrative Costs***	\$153,996.00	\$153,996.00
Totals	\$556,748.00	\$483,023.02

***BI received a flat 18% for administrative costs. Expenditures charged to this line item did not require documentation from the agency.

Exhibit II Day Reporting Program/CTC 2014 BUDGET/ACTUAL

	January – August 2014	
	Budget	Total Claimed
Personnel Costs		
Salaries	\$195,000.00	\$116,574.91
Fringe	60,450.00	36,138.22
Total Personnel Costs	\$255,450.00	\$152,713.13
Operating Costs		
Rent	\$63,517.00	\$42,556.94
Utilities and Facilities Expenses	1,814.00	1,119.51
Client Transportation/Vehicle Expense	14,100.00	9,926.97
Client Needs and Materials	18,021.00	8,414.69
Employee Acquisition, Training and Travel	3,000.00	0.00
Office and Program Supplies/Services	8,500.00	4,407.88
Equipment Rental, Lease and Maintenance	3,600.00	2,058.95
Client Meals	12,000.00	6,942.14
Equipment Purchases	1,250.00	0.00
Telecommunications	10,000.00	5,157.52
Case Management and Assessment Software	11,500.00	7,055.92
Total Operating Costs	\$147,302.00	\$87,640.52
Administrative Costs***	\$153,996.00	\$102,664.00
Totals	\$556,748.00	\$343,017.65

***BI receives a flat 18% for administrative costs. Expenditures charged to this line item did not require documentation from the agency.

Exhibit III 2013 Detail of Disallowances

2013 BI - Disallowances				
Vendor	Date	Day of the Week	Reason for disallowance/ time of purchase when Indicated	Amount Disallowed
Category - Client Meals				
Subway	1/3/2013	Thursday	Total receipt was for \$30.40 - Purchased \$25.00 gift card and an UNKNOWN additional \$5.40 charged. - 1:29pm.	\$ 5.40
Pizza Hut	1/4/13	Friday	6 Adult Buffet/5 Pepsi- No FT program on Fridays- 12:09pm	49.62
Emiliano's	1/8/13	Tuesday	Also purchased 8 meals from Dutch Treat - 11:10 pm	22.25
Sonic	1/11/13	Friday	5 - Slush drinks - No FT program on Fridays - 2:42 pm	6.80
Table Talk Diner	1/11/13	Friday	Prog. Dir. indicated this was a staff meal when asked on 10/9 - No FT program on Fridays - 12:34pm	74.06
Kavos	1/18/13	Friday	Gyros/Tofu/Platter - No FT program on Fridays - 1:14pm	46.82
McDonalds	3/1/13	Friday	6? meals - No FT program on Fridays - 11:51am	44.77
East Garden	2/27/13	Wednesday	13 meals purchased - 11:09am	89.42
East Garden	3/7/13	Thursday	6 meals purchased - 1:37pm	38.82
Kavos	3/18/13	Monday	5 items purchased -Food Vendor also used - 4:07pm	33.36
McDonalds	3/15/13	Friday	7? meals purchased - 12:00pm	50.72
Planet Wings	3/28/13	Thursday	6? Meals purchased - 11:33am	56.92
Burger King	4/11/13	Thursday	8? Meals purchased - 11:47am	58.14
Dairy Queen	4/10/13	Wednesday	5 shakes purchased - 2:05pm - Food Vendor used (Gift cards also purchased as separate transaction)	19.97
Planet Wings	4/5/13	Friday	9? Meals purchased - 11:36am - Receipt indicated it was a reprint.	88.48
Rossi & Sons Deli	3/19/13	Monday	Items not identified on receipt - 1:40pm Wrong receipt submitted for 3/19.	39.47
Rossi & Sons Deli	4/15/13	Monday	Items not identified on receipt. Handwritten charges added to receipt amt. (30.28+6.00 unknown charge) - 2:25pm Food Vendor used.	36.28
Subway	4/18/13	Tuesday	10? Meals purchased - 12:06pm	53.51
Rossi & Sons Deli	5/7/13	Tuesday	Items not identified on receipt. Food Vendor used - 1:35pm. Community Service sessions - 10-11:30 & 12:20-3:00, not all day.	35.88
Wendy's	5/10/13	Friday	6? Meals purchased - 12:05pm	49.53
KFC	4/1/13	Monday	16 pc meal - 11:30am No FT program on Mondays	41.62
McDonalds	4/1/13	Monday	2 shakes/1 soda - 3:28pm	6.47
Subway	no date on receipt	no date on receipt	4 meals purchased - no date on receipt	27.30
McDonalds	5/15/13	Wednesday	4 shakes purchased - 2:09pm	10.77
Dairy Queen	5/21/13	Tuesday	Food Vendor used - 2:17pm	28.25
K and D Deli	5/20/13	Monday	Two receipts presented, different amounts (\$16.82/\$16.89), different times (3:27/3:11pm), items not itemized - Food Vendor used	16.82
Wendy's	6/19/13	Wednesday	11? Meals purchased - 12:07pm	57.88
Ice Ice Baby (PayPal*Goldcoinexc)	6/19/13	Wednesday	5 shakes purchased - 11:58 PDT	17.00
McDonalds	6/25/13	Tuesday	6 items purchased - Food Vendor used - 3:03pm	13.15
Yeung Ho II	6/24/13	Monday	4 items purchased - Food Vendor used - Receipt not itemized - 3:19pm	31.50
Dunkin Donuts	8/27/13	Thursday	Donuts/Munchkins/Bagels purchased - Food Vendor used - 9:49am	16.19
IHOP	7/5/13	Friday	9 meals purchased - 2:00pm	135.42
Yeung Ho II	7/9/13	Tuesday	Receipt not itemized - Food Vendor used - 3:48pm	25.60
Rossi's	7/24/13	Wednesday	Unknown receipt items - Food Vendor used - 3:32pm	36.76
Burger King	7/26/13	Friday	Unable to determine items - 12:08pm	62.06
Yeung Ho 2	8/8/13	Thursday	Specific items not listed. Food Vendor used - 2:41pm	32.00
McDonald's	8/9/13	Friday	3:57pm No FT program on Fridays	16.85
Orient Buffet	8/9/13	Friday	No items listed - 12:16pm No FT program	51.35
K & D Deli	8/29/13	Thursday	10:20am - Breakfast items	19.55
Wendy's	8/30/13	Friday	Food Vendor used - 11:59am	37.31
K & D Deli	8/16/13	Friday	12:48pm	85.44
K & D Deli	9/4/13	Wednesday	Food Vendor used - 4:54pm	25.20
Great Wall	9/6/13	Friday	Two different receipts (\$57.12 vs \$66.85) - 12:10pm	56.85
McDonalds	9/11/13	Wednesday	Food Vendor used - 4:12pm	20.05
Emiliano's	9/13/13	Friday	10:52am	43.85
K & D Deli	8/22/13	Thursday	Receipt not itemized. Food Vendor used - 10:05am	15.75

2013 BI - Disallowances				
Vendor	Date	Day of the Week	Reason for disallowance/ time of purchase when Indicated	Amount Disallowed
Giacomo's Pizza	8/23/13	Friday	4 pizzas purchased - 12:11pm	58.93
Kisma Indian Rest.	10/11/13	Friday	3 meals - 1:57pm	38.75
Rossi's	10/7/13	Monday	No items on receipt - 3:27pm	30.28
Rossi's	9/20/13	Monday	5 meals plus misc item - 12:48pm	61.63
Mole Mole	9/27/13	Friday	1:53pm	45.96
East Garden	10/4/13	Friday	1:07pm	29.79
K & D Deli	11/6/13	Tuesday	6 meals ordered - 2:07pm	48.15
Rossi's	10/25/13	Friday	Receipt not itemized. Food vendor used - 1:22pm	52.98
Rossi's	11/15/13	Friday	6 Items purchased - 1:10pm	57.31
K & D Deli	12/6/13	Friday	5 meals purchased - 4:11pm	43.61
Mole Mole	12/20/13	Friday	5 meals purchased - 1:33pm	51.90
East Garden	12/26/13	Thursday	6 meals purchased - 11:49am	40.01
Giacomo's	11/18/13	Monday	7 slices purchased - 4:22pm	31.96
Emiliano's	11/22/13	Friday	5 meals purchased - 1:01pm	39.90
Total - Client Meals				\$ 2,461.87
Client Needs & Mat'l's				
Rite Aid	1/3/2013	Thursday	Various perfumes/colognes and Christmas candy purchased. Perfume/candy not on CTC reward list - 1:18pm	52.00
BJ's Wholesale Club	1/5/13	Saturday	Hot Wings/Franks 5:28pm	150.69
Warehouse Outlet	1/7/13	Monday	Items not identified on receipt - 3:10pm	52.77
Ruby Tuesday	2/11/13	Monday	3 meals purchased - 2:42pm	44.86
McDonalds	2/7/13	Thursday	3 breakfasts purchased 9:40 am - Program starts at 9:30am	19.72
McDonalds	1/24/13	Thursday	4 shakes purchased at 2:07pm	12.50
McDonalds	1/15/13	Tuesday	4 shakes purchased at 3:51pm	11.86
Dollar Tree	2/18/13	Monday	Various questionable items - pot holders, 33 - long reach?, pill holder, angry birds?, eyeglass repair kit - 1:58pm	66.88
Walgreens	2/15/13	Friday	Entire purchase was candy, fruit roll ups, blow pops, etc. - 5:09pm	57.64
Dunkin Donuts	2/14/13	Thursday	2 dz donuts, frozen coffee, 3 Mocha Swirl - Receipt indicates "Eat In" 10:58am	18.65
BJ's	3/17/13	Sunday	Various questionable items - hot wings (2), chicken parm, roast beef, cheese, turkey from deli - 6:17pm	230.97
Dollar Tree	5/10/13	Friday	Various items purchased - 1 bottle chocolate milk, splitter, eye drops, numerous ear phones, stone coaster, etc. - 9:50pm	47.41
Yeung Ho II	5/22/13	Wednesday	Two receipts presented, different amounts (\$32.15/\$32.17), 1 paid with credit, 1 paid with cash (not claimed, but presented), different times (3:09pm/3:43pm), items purchased not itemized - Food vendor used	32.15
Poughkeepsie Plaza Just a Buck	6/14/13	Friday	77 items purchased - receipt not itemized - 5:32pm	83.26
Rossi & Sons Deli	6/12/13	Wednesday	Receipt not itemized. Food Vendor used -3:55pm	38.93
Walgreens	7/27/13	Saturday	Purpose for these items, some items & time illegible	80.01
Dollar Tree	7/28/13	Sunday	Illegible items	77.81
Warehouse Outlet	8/31/13	Saturday	Receipt not itemized - 5:55pm	89.65
Just A Buck	10/7/13	Monday	Unknown items purchased - 7:09pm	27.03
Just A Buck	10/10/13	Thursday	Unknown items purchased - 3:41pm	44.33
Mardi Bob Lanes	10/30/13	Wednesday	No items on receipt - 1:05pm. Bowling not listed as reward for perfect attendance.	40.00
Warehouse Outlet	10/18/13	Friday	No specific items listed - 6:31pm	96.43
Target	10/20/13	Sunday	Groceries - 6:29pm	145.47
Total - Client Needs & Mat'l's				\$1,521.02
Office & Pgm Supplies				
Rite Aid	2/5/13	Tuesday	Various candy purchases - Candy not on CTC reward list - 1:44pm	\$ 41.58
Walgreens	2/1/13	Friday	body scale for staff participation in "Biggest Loser" - lost receipt	21.62

2013 BI - Disallowances				
Vendor	Date	Day of the Week	Reason for disallowance/ time of purchase when indicated	Amount Disallowed
Dollar Tree	1/23/13	Wednesday	Various candy purchases - Candy not on CTC reward list, Ed Hardy Lighter - 4pm	72.44
Walgreens	5/11/13	Saturday	Conair Ceramic Hair Straightener, Multiple Rolls of Duct Tape - 6:18pm	30.58
Staples	7/20/13	Saturday	Item descript. not clear - 2:04pm	75.17
Staples	7/26/13	Friday	Item descript. not clear - 5:21pm	88.49
Total - Office & Pgm Supplies				\$ 329.88
Client Trans/Vehicle Expense				
Vehicle rental (25 days)	11/12-12/6/13			\$ 1,235.00
AM rental car tax	11/12-12/6/13			236.13
Body shop parts	12/6/2013		No itemized receipt	750.88
Body shop labor	12/6/2013		No itemized receipt	401.50
Body shop paint	12/6/2013		No itemized receipt	135.30
Body shop supplies	12/6/2013		No itemized receipt	11.00
Vehicle AMS Tax	12/6/2013		No itemized receipt	105.52
Police report	11/8/2013		No itemized receipt	6.00
Accident Reporting Fee	11/11/2013		No backup documentation	25.00
Glass Charge	12/31/2013		No receipt or backup	452.18
Total - Client Trans/Vehicle Exp				\$ 3,358.51
Grand Total				\$ 7,671.28

Exhibit IV 2014 Detail of Disallowances

2014 BI Disallowances				
Vendor	Date	Day of the Week	Reason for disallowance/ time of purchase when indicated	Amount Disallowed
Category - Client Meals				
Emiliano's	illegible		Payment info illegible - 12:03pm	\$ 35.00
Golden Krust	1/24/14	Friday	6 items - 1:20pm	57.48
Rossi's	1/29/14	Wednesday	Food vendor used - 4:07pm	38.93
Rossi's	2/3/14	Monday	6 items including handwritten items - 12:25pm	54.06
Rossi's	2/7/14	Friday	6 items - 1:06pm	68.00
Gino's	2/14/14	Friday	2:21pm	50.40
Emiliano's	1/31/14	Wednesday	1:58pm	35.70
Stop & Shop	2/19/14	Wednesday	Cookies & milk - 12:35pm Lunch provided.	30.29
KFC	3/5/14	Wednesday	6? meals - 11:48am	64.84
Giacomo's Pizza	3/7/14	Friday	Food vendor used - 1:26pm	60.71
Stop & Shop	3/12/14	Wednesday	Snacks & drinks - 12:34pm Lunch provided.	27.59
K&D Deli	3/14/14	Wednesday	Food vendor used - 1:19pm	38.60
Stop & Shop	3/19/14	Wednesday	Baked goods and chips. Food vendor used - 12:56pm	30.88
Rossi's	3/21/14	Friday	3 meals - 2:36pm	38.93
Mole Mole	3/28/14	Friday	Items illegible. Food vendor used - 2:13pm	33.52
KFC	4/2/14	Wednesday	At least 12 meals. Food vendor should have been used - 11:29am	68.09
K&D Deli	4/4/14	Friday	6 unknown items purchased - 2:04pm	48.32
Target	4/7/14	Monday	Mostly groceries, illegible items - 2:33pm Resubmitted copy has unreadable items.	118.37
Golden Krust	4/11/14	Friday	4 meals - 1:21pm	52.48
Bronx Pie	5/2/14	Friday	Written items on receipt - 1:20pm	56.62
Rossi's	4/30/14	Wednesday	Vendor name missing from receipt - 1:48pm	41.09
DQ	5/21/14	Wednesday	10 Ice creams - 12:27pm	42.28
East Garden	5/23/14	Friday	6 meals, missing credit card info - 12:27pm	40.01
Five Guys	6/6/14	Friday	food - 12:22pm	38.75
Pyro Gyro	5/30/14	Friday	food- 12:29pm	48.58
Tokyo Express	6/13/14	Friday	food - 12:18pm	58.87
Rossi's	6/19/14	Thursday	Food Vendor used. 3:50pm	44.87
K&D Deli	6/20/14	Friday	Food Vendor used. 3:05pm	49.13
Rossi's	7/11/14	Friday	Food Vendor used for 14 meals. 4 meals ordered here - 1:04pm	36.76
DQ	7/15/14	Tuesday	Ice cream treats - 1:30pm	21.99
Mole Mole	7/18/14	Friday	12:52pm	24.87
Rossi's	7/25/14	Friday	5 meals, 1 added in writing - 12:30pm	42.17
ShopRite	8/10/14	Sunday	groceries - 8:38pm	170.07
Vendor not listed	8/8/14	Friday	No item descriptions listed	42.12
Total Client Meals				\$1,710.37
Client Needs & Mat'l's				
Michael's	5/4/14	Sunday	Items not recognizable - time illegible	\$ 22.67
Big Lots	5/10/14	Saturday	Toiletries - 6:38pm	175.25
Dollar Tree	5/4/14	Sunday	Glowsticks - 10:24pm	37.84
BJ's	5/4/14	Sunday	Illegible items - 6:23pm	282.33
Mardi Bob Lanes	5/15/14	Thursday	Special olympics -- fundraiser - 2:34pm	44.00
Stimpsons House of Nutrition	6/1/14	Sunday	Vitamins - 2:04pm	25.00
Spencer's	6/1/14	Sunday	Gift card - 4:26pm	25.00
Dollar Yard	6/1/14	Sunday	Items not listed - 3:17pm	35.06
CVS	6/7/14	Saturday	Baby items - missing time & date. Cash Disb Ledger has 6/7 date	48.19
Dollar Tree	6/8/14	Sunday	Several outreach grabbers, jersey gloves, safety glasses, utility knife - 8:17pm	117.49

2014 BI Disallowances				
Vendor	Date	Day of the Week	Reason for disallowance/ time of purchase when indicated	Amount Disallowed
Job Lot	6/10/14	Tuesday	Illegible items - 5:17pm	86.82
Mardi Bob Lanes	6/18/14	Wednesday	Special Olympics referenced - 2:24pm	60.50
BJ's	8/3/14	Sunday	Receipt illegible	302.34
Warehouse Outlet	8/6/14	Wednesday	Unknown items purchased - 2:35pm	65.11
Total Client Needs & Mat'l's				\$ 1,327.60
Client Train/Educ Expense				
Dollar Tree	1/24/14	Friday	New receipt copy still illegible. Items illegible on receipt. Can't read total.	\$ 77.13
BJ's Wholesale Club	1/27/14	Monday	Resubmitted copy still illegible	294.16
Warehouse Outlet	2/6/14	Thursday	Unknown items purchased - 7:17pm	103.69
Michael's	2/22/14	Saturday	8:01pm	18.04
Just A Buck	3/17/14	Monday	Receipt illegible no item descriptions - 2:45pm	34.60
Shoprite	3/30/14	Sunday	Groceries - 5:19pm	82.75
Stop & Shop	4/9/14	Wednesday	Snacks & some illegible items - 1:34pm	47.86
Total Client Train/Educ Exp				\$ 658.23
Client Trans/Vehicle Exp				
Mobil	12/18/13	Wednesday	DUPLICATE - claimed December 13, 2013	\$ 50.00
Office & Pgm Supply/Svcs				
BJ's	5/4/14	Sunday	Illegible items - 6:28pm	\$ 319.42
Staples	6/1/14	Sunday	Items not recognizable - 5:20pm	74.29
BJ's	7/4/14	Friday	Items not recognizable- 6:55pm - Holiday	122.50
BJ's	8/3/14	Sunday	Receipt illegible	320.61
Total Office & Pgm Supply/Svc				\$ 836.82
Supp/Svcs/Small Tools				
Staples	1/4/14	Saturday	Receipt not original. Gift Items. No trans date	\$ 57.88
Staples	1/25/14	Saturday	MS/AVY & sound amps - 1:31pm	126.48
Big Lots	1/30/14	Thursday	Items illegible on receipt. Resubmitted copy still illegible	49.78
ShopRite	2/16/14	Sunday	Nordstrom Birthday gift card - 6:47pm	75.00
Warehouse Outlet	2/7/14	Friday	Unknown items purchased - 6:53pm. Receipt not itemized.	157.38
Radio Shack	3/2/14	Sunday	Phone Accessories- 5:41pm	39.96
Big Lots	4/1/14	Tuesday	Items illegible or unknown - 3:34pm	69.09
Staples	4/5/14	Saturday	Incomplete item descriptions, Yankee candle beads - 6:07pm	146.12
Total Supp/Svcs/Small Tools				\$ 721.69
Grand Total				\$ 5,304.71

Dutchess County CTC Weekly Program Schedule

Monday	Tuesday	Wednesday	Thursday	Friday
9:30-11:30 GED	9:30-11:30 GED	9:30-11:30 GED	9:30-11:30 GED	9:30-11:30 GED
10:00-11:30 Anger Management	10:00-11:30 MRT	10:00-11:30 Anger Management	10:00-11:30 Life Skills-D/A	10:00-11:30 Case Management
10:00-11:30 Case Management	10:00-11:30 Community Service	10:00-11:30 Community Service	10:00-11:30 Community Service	10:00-11:30 Intakes
Lunch 11:30-12:20	Lunch 11:30-12:20	Lunch 11:30-12:20	Lunch 11:30-12:20	Lunch 11:30-12:20
12:20-3:00 GED	12:20-3:00 GED	12:20-3:00 GED	12:20-3:00 GED	12:20-3:00 GED
12:20-3:00 Community Service	12:20-3:00 Community Service	12:20-3:00 Community Service	12:20-3:00 Community Service	12:20-3:00 Special Programming
12:20-3:00 Special Programming	12:20-1:50 Anger Management	12:20-1:50 Employment Skills	12:20-1:50 MRT	12:20-3:00 Intakes
		3:00-5:00 Ready, Set, Work!		
5:00-7:00pm GED	5:00-7:00pm GED	5:00-7:00pm GED		
5:30-7:00pm MRT	5:30-7:00pm MRT	5:30-7:00pm Anger Management		

Exhibit VI Gift Card Policy

2013 CTC Gift Card Policy

The gift cards are purchased by the Program Director for the following:

\$25.00 cards are purchased for clients receiving passing GED scores and/or completion of MRT.

\$50.00 cards are purchased for clients receiving an honors GED diploma and/or being named "Client of the Month".

\$20.00 and \$10.00 cards are purchased for the "Client Rewards Program". Clients earn "CTC Bucks" for good behavior and accomplishments. "CTC Bucks can be redeemed for gift cards and other prizes.

\$5.00 cards are purchased for clients who have conformed to attendance and participation requirements.

All cards are kept in the Program Director's office. A key to the Program Director's office is unavailable to CTC staff. Dutchess County Probation has a duplicate key. Each card given out is signed for by the recipient.

Addendum I Day Reporting Center Specifications

SPECIFICATIONS

DAY REPORTING CENTER

1.0 SCOPE

The County of Dutchess is engaged in extensive alternatives to incarceration programming. One element of this programming and part of an ongoing attempt to provide a continuum of sanctions is a day reporting center.

It is believed that a day reporting program, as an alternative to incarceration, provides not only security to the community through a highly structured and closely monitored format but also offers the opportunity to address individuals' criminogenic needs (identified through the use of the COMPAS instrument.) It is recognized that individuals who need education/employment, life skills, appropriate companions and leisure activities, and family support, as well as those involved with illegal substances are more likely to commit crimes. An important piece of a day reporting program is the use of a cognitive behavioral curriculum, shown to be particularly effective with the criminal justice population. Community service is another integral component of such a program. A day reporting program attempts to successfully integrate offenders into community institutions and pro-social lifestyles.

2.0 SPECIFICATIONS

2.1 The program will serve mostly young people between the ages of 16 to 25 years old, either as sentenced or pre-trial cases and will have a capacity of 25 full time and 35 part time individuals. The program may also work with the Jail Transition program, ensuring a seamless delivery of assessment and intervention begun while an offender was incarcerated, if appropriate. All participants will be under the jurisdiction of the Office of Probation and Community Corrections. Positive outcomes in the form of reduced recidivism, lower risk scales as measured by the COMPAS ultimately leading to a lower jail population are goals of the program. The successful vendor will be able to provide data and measure outcomes of the program. The Office of Probation and Community Corrections has committed to the use, whenever possible, of evidence-based programming and will expect the vendor to remain current in the use of best practices in a community corrections environment.

2.2 Size The program must be able to accommodate up to 25 full time and 35 part time, for a total of 60, male/female participants. The part time participants would be engaged in one or more selected services offered by the day reporting center.

2.3 Hours The program must be open from 9 a.m. to 7 p.m. Mondays through Fridays and on Saturdays as needed for special programming or events.

2.4 Location Currently, the program is located at 161 Mansion Street, Poughkeepsie, NY in a building owned by St. Paul's Church. Since most participants reside in the City or Town of Poughkeepsie, the program should be located in that same geographical area. The vendor with whom the county contracts for this program would be required to maintain a lease.

2.5 Fiscal/Billing/Payment The Dutchess County Office of Probation and Community Corrections will be the operator of record, contracting out all functions to the vendor. Payment to the vendor by the Office of Probation and Community Corrections will be expenditure driven, billed by the vendor to the Office of Probation and Community Corrections monthly and based on documented expenditures. These expenditures may include any expenditures related directly to the leasing and maintenance of the facility but may not exceed the amount articulated in the contract between the vendor and the Office of Probation and Community Corrections. Further, the vendor will present a budget annually to the Office of Probation and Community

Contract #10-0372

EXHIBIT "A"